

APPROVED

MINUTES

SCOTTSDALE CITY COUNCIL

MONDAY, APRIL 5, 2004

**CITY HALL KIVA
3939 DRINKWATER BOULEVARD
SCOTTSDALE AZ 85251**

MINUTES
SCOTTSDALE CITY COUNCIL
Monday, April 5, 2004

CALL TO ORDER

Mayor Manross called to order a Regular Meeting of the Scottsdale City Council on Monday, April 5, 2004 in the Kiva, City Hall, at 5:04 P.M.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor Wayne Ecton
Council Members Robert Littlefield, Ned O'Hearn, Roberta Pilcher,
David Ortega, and Tom Silverman

Also Present: City Manager Jan Dolan
City Attorney Joseph Bertoldo
City Clerk Carolyn Jagger

Pledge of Allegiance

Troop #2559 from Hopi Elementary School, and their Troop Leader Allison Phillips, led the audience in the pledge.

Invocation

Pastor Melissa Irwin of Rock Church gave the invocation.

Presentations/Information Updates

Victims' Rights Week Proclamation: Mayor Manross read the proclamation for the week of April 18-24, 2004, and presented it to JoAnn Del-Colle, Victim Services Division Administrator for the City of Scottsdale.

Minutes

SPECIAL MEETINGS
Tuesday, March 16, 2004

REGULAR MEETINGS
Tuesday, March 2, 2004
Tuesday, March 16, 2004

EXECUTIVE SESSIONS
Tuesday, February 3, 2004
Tuesday, February 17, 2004

COUNCILWOMAN PILCHER MOVED FOR APPROVAL OF THE SPECIAL MEETING MINUTES OF MARCH 16, 2004, THE REGULAR MEETING MINUTES OF MARCH 2 AND 16, 2004, AND EXECUTIVE SESSION MINUTES OF FEBRUARY 3 AND 17, 2004. COUNCILMAN ORTEGA SECONDED THE MOTION, WHICH CARRIED 7/0.

Public Comment - None

Mayor Manross requested a motion to continue Item 8 from tonight's Consent Agenda and Item 27 from the Regular Agenda to April 20, 2004.

COUNCILMAN SILVERMAN MOVED TO CONTINUE ITEM 8 (MCDOWELL MOUNTAIN COMMUNITY CHURCH ABANDONMENTS) AND ITEM 27 (TEXT AMENDMENT/ENVIRONMENTALLY SENSITIVE LANDS ORDINANCE) TO APRIL 20, 2004. VICE MAYOR ECTON SECONDED THE MOTION, WHICH CARRIED 7/0.

CONSENT AGENDA ITEMS 1 - 24

1. Uncle Sal's Italian Restaurant Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises that will add a patio seating area to an existing establishment that currently operates with a series 12 (restaurant) liquor license.

Location: 3370 N. Hayden Road

Reference: 10-EX-2004

Staff Contact(s): Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, kekblaw@scottsdaleaz.gov; Robert Bushfield, Development Review and Permit Services Director, 480-312-7096, rbushfield@scottsdaleaz.gov

2. Baraka Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for a vacant restaurant location.

Location: 4360 N. Scottsdale Road

Reference: 4-LL-2004

Staff Contact(s): Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, kekblaw@scottsdaleaz.gov; Robert Bushfield, Development Review and Permit Services Director, 480-312-7096, rbushfield@scottsdaleaz.gov

Responding to Vice Mayor Ecton's concerns regarding outdoor music in either establishment (Items 1 and 2), Kroy Ekblaw said there would be no live entertainment of any sort. He noted that any live entertainment would require a use permit.

3. Peter's Café Europe Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of a series 07 (beer/wine bar) State liquor license for an existing establishment that previously operated with a series 7 license under the business name Thymeless Cuisine.

Location: 7125 E. 5th Avenue #31

Reference: 8-LL-2004

Staff Contact(s): Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, kekblaw@scottsdaleaz.gov; Robert Bushfield, Development Review and Permit Services Director, 480-312-7096, rbushfield@scottsdaleaz.gov

4. My Big Fat Greek Restaurant Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for an existing restaurant location that previously operated with a series 12 license under the business name Tony Romas.

Location: 4218 N. Scottsdale Road

Reference: 11-LL-2004

Staff Contact(s): Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, kekblaw@scottsdaleaz.gov; Robert Bushfield, Development Review and Permit Services Director, 480-312-7096, rbushfield@scottsdaleaz.gov

5. Paul's Pantry Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 10 (beer/wine store) State liquor license for an existing gourmet food store that is moving to a different suite within the same shopping center.

Location: 34505 N. Scottsdale Road #D2

Reference: 12-LL-2004

Staff Contact(s): Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, kekblaw@scottsdaleaz.gov; Robert Bushfield, Development Review and Permit Services Director, 480-312-7096, rbushfield@scottsdaleaz.gov

6. Venue of Scottsdale Conditional Use Permits

Request: A renewal of the conditional use permits for live entertainment and a pool hall on a 1.11 +/- acre parcel located at 7117 E. Third Avenue with Central Business District (C-2) zoning within the Downtown Overlay.

Location: 7117 E. 3rd Avenue

Reference: 30-UP-1995#4 and 31-UP-1995#4

Staff Contact(s): Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Al Ward, Senior Planner, 480-312-7067, award@scottsdaleaz.gov

7. Venue of Scottsdale Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of a series 6 (bar) State liquor license for an existing bar currently operating under the business name Cajun House.

Location: 7117 E. 3rd Avenue

Reference: 101-LL-2003

Staff Contact(s): Kroy Ekblaw, Planning and Development Services General Manager, 480-312-7064, kekblaw@scottsdaleaz.gov; Robert Bushfield, Development Review and Permit Services Director, 480-312-7096, rbushfield@scottsdaleaz.gov

*****8. McDowell Mountain Community Church Abandonments – Continued to April 20, 2004**

9. Sienna Hills Abandonment

Request: Consider the following:

1. Abandon the Government Land Office (GLO) roadway and utility easement along the property boundaries of GLO Lots 7 and 8.
2. Adopt Resolution No. 6469 vacating and abandoning a portion of right of way and roadway easement.

Location: 12323 E. Gail Road (southwest corner of Gail Road and 124th Street)

Reference: 14-AB-2003

Staff Contact(s): Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Greg Williams, Senior Planner, 480-312-4205, gwilliams@scottsdaleaz.gov

Mayor Manross opened public testimony.

Leon Spiro, 7814 E Oberlin Way, 85262, requested a staff presentation. Mayor Manross reminded Mr. Spiro that this item is on the Consent Agenda. If an item is on the Consent Agenda, a staff presentation is not required unless the Council specifically requests a presentation. The Mayor stated that if the Council would like a presentation she would be glad to request one.

Mayor Manross encouraged Mr. Spiro to make his comments for the record. He asked when Council held a study session on this item, when the roadway easements were abandoned for the already constructed portion of the Sienna Hills Development, what the purpose of this abandonment is, if the developers plan construction on these easements, what type of easement is involved in Item 9, and if the city will be one of the liable parties if there is a private party lawsuit. Mayor Manross said staff would respond to Mr. Spiro's concerns.

Mayor Manross closed public testimony.

10. South Corp Yard Municipal Use Master Site Plan

Request: Approval of a Municipal Use Master Site Plan for Municipal Uses on an 18 +/- acre parcel located at 7601 E. McKellips Road with Multi-Family Residential District (R-5) zoning.

Location: 7601 E. McKellips Road

Reference: 2-UP-2004

Staff Contact(s): Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Al Ward, Senior Planner, 480-312-7067, award@scottsdaleaz.gov

11. DC Ranch Zoning Ordinance Adoption

Requests:

1. Approve final ordinance adoption for various parcels at DC Ranch for DC Ranch Parcels 1.11, 1.12, 1.13, 1.14, 1.15, 1.17, 1.18 to the R1-7/PCD District, DC Ranch Parcels 5.2 and 5.3 to the R1-10/PCD District.
2. Adopt Ordinance No. 3558.

Location: Various Parcels in the DC Ranch Master Planned Community

Reference: 54-ZN-1989#2F

Staff Contact(s): Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Tim Curtis, Project Coordination Manager, 480-312-4210, tcurtis@scottsdaleaz.gov

12. Mirabel Village 3 Final Plat

Request: Approve a Final Plat for Mirabel Village 3 for 32 residential lots with amended development standards on a 45.3+/- acre parcel.

Location: Lone Mountain Parkway, south of Santa Fe Trail

Reference: 14-PP-2001#2

Staff Contact(s): Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Kira Wauwie AICP, Project Coordination Manager, 480-312-7061, kwauwie@scottsdaleaz.gov

13. Mirabel Village 14 Final Plat

Request: Approve a final plat for a 58-lot subdivision with amended development standards on a parcel of approximately 68 acres.

Location: Cave Creek Road and Mirabel Club Drive

Reference: 18-PP-2002

Staff Contact(s): Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Kira Wauwie AICP, Project Coordination Manager, 480-312-7061, kwauwie@scottsdaleaz.gov

14. Scenic Roadway Designations General Plan Amendment

Request: Initiate a General Plan amendment to the Open Space and Recreation Element and the Character and Design Element regarding Scenic Corridor and Buffered Setback/Parkway designations.

Location: Citywide

Reference: 1-GP-2004

Staff Contact(s): Randy Grant Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov; Teresa Huish, Community Planner, 480-312-7829, thuish@scottsdaleaz.gov

15. Contract for Occupational Medical Treatment and Employment-Related Medical Testing Services

Request: Consider authorizing a contract for on-the-job injury (workers' compensation) primary non-emergency occupational medical treatment services and employment-related medical testing physical examinations to Scottsdale Healthcare Occupational Health. Authorizing the contract will allow the City to continue its primary care services for on-the-job injuries and for employment-related physical examinations required by law.

Staff Contact(s): Craig Clifford, Financial Services General Manager/CFO, 480-312-2364, cclifford@scottsdaleaz.gov; Myron Kuklok, Risk Management Director, 480-312-7841, mkuklok@scottsdaleaz.gov

16. Adoption of Notice of Intention to Increase Water and Wastewater Rates and Establishment of May 17, 2004 as the Date for a Public Hearing

Request: Adopt Notice of Intention to increase water and wastewater rates for fiscal year 2004/05 and to establish May 17, 2004 as the date for a public hearing.

Staff Contact(s): David M. Mansfield, Water Resources General Manager, 480-312-5681, dmansfield@scottsdaleaz.gov

17. City General Obligation Refunding Bond Sale

Request: Adopt Resolution No. 6465 authorizing the issuance and ordering and approving the sale of City of Scottsdale General Obligation Refunding Bonds, Series 2004 in an aggregate principal amount not to exceed \$75,000,000, authorizing the negotiation, execution and delivery of certain agreements, including a Bond Purchase Agreement by the City's Financial Services General Manager, and selecting Banc of America Securities as senior underwriting manager and Citigroup Global Markets; Peacock, Hislop, Staley and Given Inc.; and RBC Dain Rauscher Inc., as co-managing underwriters for the proposed bond sale.

Staff Contact(s): Craig Clifford, Financial Services General Manager/CFO, 480-312-2364, cclifford@ScottsdaleAZ.gov

18. Acceptance of Tourism and Sports Authority (TSA) Grant Funds for the Development of the Cochise Youth Sports Complex at Cochise Elementary School

Requests: Authorize the Community Services Department to accept the Tourism and Sports Authority grant for \$130,000. The City is required to provide a \$75,000 grant match. The grant match will be funded with Partnership Funding Program special revenue. The FY 2003/04 Grants budget includes funds for this grant. A center in the Grants Fund (Fund 230) will be established to record all grant activity.

Approve Intergovernmental Agreement #2004-027-COS between the City of Scottsdale and the Tourism and Sports Authority.

The Community Services Department will use the grant to develop two new unlighted youth baseball fields and two unlighted youth soccer/lacrosse fields at Cochise Elementary School, located on McCormick Ranch at 86th Street and Mountain View.

Related Policies, References:

- Proposition 302, approved by voters in Maricopa County on November 7, 2000
- Partnership Funding/Field Allocation Policy

Staff Contact(s): Debra Baird, Community Services General Manager, 480-312-2480, dbaird@scottsdaleaz.gov; Judy Weiss, Parks, Recreation and Facilities Manager, 480-312-2416, jweiss@scottsdaleaz.gov

A Citizen Comment Card was received from **Chuck Lotzar**, who was in favor of Item 18 but did not wish to speak.

19. Engineering Services Contract Modification for the Design of Waterline Replacements

Request: Authorize contract modification to Engineering Services Contract No. 2002-030A-COS with CSA Engineering, Inc., in the amount of \$203,214 for the design of various waterline replacement projects for Year 2004.

Related Policies, References: Contract Modification 2002-030A-COS, approved by City Council on March 17, 2003 and Engineering Services Contract No. 2002-030-COS, approved by City Council on March 18, 2002

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov; Alison Tymkiw, Sr. Project Manager, 480-312-7985, atymkiw@scottsdaleaz.gov

20. Construction Bid Award for Streetscape Improvements along McDowell Road (Granite Reef to Hayden Road)

Request: Authorize Construction Bid Award No. 04PB018 to Bunney's Inc., the lowest responsive bidder, at their lump sum bid of \$969,000.

Related Policies, References:

- 1991 McDowell Rd. Streetscape Guidelines
- McDowell Corridor Improvements Master Plan dated December 12, 2002
- Council approval on February 18, 2003 authorizing Architectural Services Contract No. 2003-026-COS

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov; Marek Urbanek, Project Manager, (480) 312-2563, murbanek@scottsdaleaz.gov

21. Construction Bid Award for Building Demolition and Utilities Relocation for Downtown Parking Structures (Fifth Avenue and Old Town)

Requests:

- Authorize Bid Award No. 04PB086 for Phase I Building Demolition and Utilities Relocation for Downtown Parking Structures (Fifth Avenue and Old Town) to Sletten Construction, the lowest responsive bidder, at their lump sum bid of \$207,000.
- Authorize estimated payments totaling \$130,000 to APS for this company's direct costs to install new transformers and cabling for overhead to underground conversions to accommodate the Fifth Avenue and Old Town Parking Structures.
- Authorize estimated payments totaling \$30,000 to Qwest Communications for system relocations to accommodate the Fifth Avenue and Old Town Parking Structures.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov; Corey E. Lew, Project Manager, 480-312-7769, clew@scottsdaleaz.gov

22. Adoption of Adjusted Water, Water Resources and Sewer Development Fees

Requests:

- Adopt Water Development, Water Resources Development and Sewer Development Fees adjusted with a construction cost index increase of 1.7% for Fiscal Year 2004/05, effective July 5, 2004.
- Adopt Ordinance No. 3556.

Staff Contact(s): David M. Mansfield, Water Resources General Manager, 480-312-5681, dmansfield@scottsdaleaz.gov

23. Records Management Program

Request: Adopt Ordinance No. 3557 creating a formal, organization-wide records management program and granting the City Clerk authority to oversee the program.

Related Policies, References: ARS § 41-1346 requires every municipality to establish and maintain an active, continuing program for the economical and efficient management of records, and to designate an individual from within the agency to manage the program. The designated individual also serves as the liaison to the Arizona State Department of Library, Archives, and Public Records. The statute

requires the governing body of each county, city, town or other political subdivision to promote the principles of efficient records management for local public records, and, as far as practicable, follow the program established for the management of state records.

Staff Contact(s): Jan Dolan, City Manager, 480-312-2422, jdolan@scottsdaleaz.gov; Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

Mayor Manross opened public testimony.

Lyle Wurtz, 6510 E Palm Ln, 85257, expressed his belief that the city has allowed sloppy record keeping. He wondered if there would be a full audit to see what really has happened and if the records have been mismanaged.

Mayor Manross closed public testimony.

Mayor Manross said detailed records have been kept, and the city has had an ongoing records management program for some time. She clarified that this action would correct some outdated language and help the city do a better job.

24. Contract for Legal Services with Ryan, Rapp & Underwood, PLC in connection with Municipal Tax Hearing Office Case No. 117 and 156

Request: Adopt Resolution No. 6460 authorizing the Mayor to execute Contract No. 2004-024-COS, an outside counsel contract renewal, in a maximum amount of Sixty Thousand Dollars (\$60,000) with the law firm of Ryan, Rapp & Underwood, PLC for legal services and representation of the City of Scottsdale in Municipal Tax Hearing Office ("MTHO") Case No. 117 & 156 regarding a tax refund claim denial and audit assessment protest.

Related Policies, References: Resolution No. 6460

Staff Contact(s): Joseph R. Bertoldo, City Attorney, 480-312-2405, jbortoldo@scottsdaleaz.gov; Sherry R. Scott, Assistant City Attorney; 480-312-2405, sscott@scottsdaleaz.gov

25. Scottsdale Southern Area Fee Reduction Programs

Requests:

1. **Approve Resolution No. 6466 allowing for the temporary reduction of specific development and building fees for commercially zoned business properties in a designated area south of Camelback Road.**
2. **Approve Resolution No. 6467 allowing for the temporary reduction of specific development and building fees for residentially zoned properties in a designated area south of Indian Bend Road.**
3. **Approve Resolution No. 6468 extending the Downtown Fee Reduction Program until June 30, 2005.**

Staff Contact(s): Dave Roderique, Economic Vitality General Manager, 480-312-7601, droderique@scottsdaleaz.gov; Harold Stewart, Business Services Manager, 480-312-2311, hstewart@scottsdaleaz.gov; Jon Chase, Principal Planner, 480-312-2578, jchase@scottsdaleaz.gov; Molly Edwards, Housing Manager/Mediation Manager, 480-312-4304, medwards@scottsdaleaz.gov

Councilman Silverman commented on the positive effects that approval of items 20, 21, and 25 would have on the city.

26. Sale of City Property, Arcadia Mart Tract "A" Parking Lot

Request: Adopt Resolution No. 6453 authorizing the sale and approving the Purchase Agreement of a public parking lot (the "Property") located at the Northeast corner of Camelback and Scottsdale roads, in the amount of \$525,000, to the adjoining property owner, Emerald Equities, an Arizona Limited Liability Company.

Related Policies, References: Scottsdale Revised Code Section 2-221(b)(5) allows the City to sell property directly to owners of adjoining property without conducting a public auction if a determination is made that uniting ownership of the city's real property with the adjoining property will be a public benefit. The determination is based on such issues as proposed use of the property, size and configuration, existing restrictions on development and the value of the property.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov; Dennis Haley, Right-of-Way Agent, 480-312-7848, dhaley@scottsdaleaz.gov; Madeline Clemann, Manager, Downtown Transportation Services, 480-312-2732, mclemann@scottsdale.az.gov

MOTION AND VOTE – CONSENT AGENDA

COUNCILMAN ORTEGA MOVED FOR APPROVAL OF CONSENT AGENDA ITEMS 1-7 AND 9-26. COUNCILMAN SILVERMAN SECONDED THE MOTION, WHICH CARRIED 7/0.

REGULAR AGENDA ITEMS 27 - 30

*****27. Text Amendment/Environmentally Sensitive Lands Ordinance (ESLO) II – Continued to April 20, 2004**

28. Issuance of Requests for Proposals (RFPs) for the Possible Development of Four City Owned Parcels in Downtown

Request: Approve the issuance of Requests for Proposals for four City owned parcels in Downtown.

Staff Contact(s): Ed Gawf, Deputy City Manager, 480-312-4510, egawf@scottsdaleaz.gov; David Roderique, Economic Vitality General Manager, 480-312-7601, droderique@scottsdaleaz.gov; John Little, Downtown Executive Director, 480-312-2539, jlittle@scottsdaleaz.gov; Madeline Clemann, Transportation Planner, 480-312-2732, mclemann@scottsdaleaz.gov

Dave Roderique identified the four sites (Rose Garden Lot, Pepperwood Lot, Stadium Site, and Stetson Lot) and their proposed uses. He detailed the RFP process, which is used as a way to 'test the market' for private sector interest in revitalizing downtown.

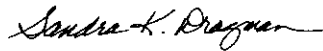
Councilman Silverman commented on the need for more reasonably priced housing downtown and wondered if that could be controlled in the RFP process. Mr. Roderique said it could be clearly stated in the RFP by instructing respondents to focus on more affordable housing. The responses could then be chosen based on the type of product they provide.

Responding to Councilman O'Hearn, Mr. Roderique said no formal decision has been made on whether or not to keep the advertising for the RFP local or to go national. There has been a lot

Adjournment

With no further business to discuss, Mayor Manross adjourned the meeting at 7:20 P.M.

SUBMITTED BY:



Sandy Dragman
Recording Secretary

REVIEWED BY:



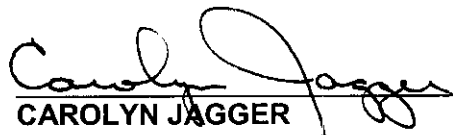
Carolyn Jagger
City Clerk

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 5th day of April 2004.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 8th day of April 2004.



CAROLYN JAGGER
City Clerk